

SECOND REGULAR SESSION

SENATE BILL NO. 1155

92ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR CAUTHORN.

Read 1st time January 26, 2004, and ordered printed.

TERRY L. SPIELER, Secretary.

4001S.011

AN ACT

To repeal section 99.1000, RSMo, and to enact in lieu thereof one new section relating to the Missouri rural economic stimulus authority.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Section 99.1000, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 99.1000, to read as follows:

99.1000. As used in sections 99.1000 to 99.1060, unless the context clearly requires otherwise, the following terms shall mean:

(1) "Authority", the rural economic stimulus authority for a municipality, created pursuant to section 99.1006;

(2) "Baseline year", the calendar year prior to the adoption of an ordinance by the municipality approving a development project;

(3) "Collecting officer", the officer of the municipality responsible for receiving and processing payments in lieu of taxes, economic activity taxes other than economic activity taxes which are local sales taxes, and other local taxes other than local sales taxes, and, for local sales taxes and state taxes, the director of revenue;

(4) "Development area", an area designated by a municipality which area shall have the following characteristics:

(a) It includes only those parcels of real property directly and substantially benefited by the proposed development plan;

(b) It can be renovated through one or more development projects;

(c) It is contiguous, provided, however that a development area may include up to three noncontiguous areas selected for development projects, provided that each noncontiguous area meets the requirements of paragraphs (a) and (b) of this subdivision; and

(d) The development area shall not exceed ten percent of the entire area of the

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

municipality.

Subject to the limitation set forth in this subdivision, the development area can be enlarged or modified as provided in section 99.1036;

(5) **"Development facility", a facility producing either a good derived from an agricultural commodity or using a process to produce a good derived from an agricultural product;**

(6) "Development plan", the comprehensive program of a municipality and to thereby enhance the tax bases of the taxing districts which extend into the development area through the reimbursement, payment, or other financing of development project costs in accordance with sections 99.1000 to 99.1060 and through the exercise of the powers set forth in sections 99.1000 to 99.1060. The development plan shall conform to the requirements of section 99.1027;

[(6)] (7) "Development project", any development project within a development area which creates a renewable fuel production facility or new generation cooperative, and any such development project shall include a legal description of the area selected for such development project;

[(7)] (8) "Development project area", the area located within a development area selected for a development project;

[(8)] (9) "Development project costs" include such costs to the development plan or a development project, as applicable, which are expended on public property, buildings, or rights-of-ways for public purposes to provide infrastructure to support a development project. Such costs shall only be allowed as an initial expense which, to be recoverable, must be included in the costs of a development plan or development project, except in circumstances of plan amendments approved by the Missouri agricultural and small business development authority and the department of economic development. Such infrastructure costs include, but are not limited to, the following:

- (a) Costs of studies, appraisals, surveys, plans, and specifications;
- (b) Professional service costs, including, but not limited to, architectural, engineering, legal, marketing, financial, planning, or special services;
- (c) Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
- (d) Costs of rehabilitation, reconstruction, repair, or remodeling of existing public buildings and fixtures;
- (e) Costs of construction of public works or improvements;
- (f) Financing costs, including, but not limited to, all necessary expenses related to the issuance of obligations issued to finance all or any portion of the infrastructure costs of one or more development projects, and which may include capitalized interest on any such

obligations and reasonable reserves related to any such obligations;

(g) All or a portion of a taxing district's capital costs resulting from any development project necessarily incurred or to be incurred in furtherance of the objectives of the development plan, to the extent the municipality by written agreement accepts and approves such infrastructure costs;

(h) Payments to taxing districts on a pro rata basis to partially reimburse taxes diverted by approval of a development project;

(i) State government costs, including, but not limited to, the reasonable costs incurred by the department of economic development, the agricultural and small business development authority, and the department of revenue in evaluating an application for and administering state supplemental rural development financing for a development project; and

(j) Endowment of positions at an institution of higher education which has a designation as a Carnegie Research I University including any campus of such university system, subject to the provisions of section 99.1043;

[(9)] (10) "Economic activity taxes", the total additional revenue from taxes which are imposed by the municipality and other taxing districts, and which are generated by economic activities within each development project area which exceed the amount of such taxes generated by economic activities within such development project area in the baseline year; but excluding taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees, or special assessments. If a retail establishment relocates within one year from one facility to another facility within the same county and the municipality or authority finds that the retail establishment is a direct beneficiary of development financing, then for purposes of this definition, the economic activity taxes generated by the retail establishment shall equal the total additional revenues from taxes which are imposed by the municipality and other taxing districts which are generated by economic activities within the development project area which exceed the amount of taxes which are imposed by the municipality and other taxing districts which are generated by economic activities within the development project area generated by the retail establishment in the baseline year;

[(10)] (11) "Major initiative", a development project that:

(a) Promotes the development of a facility producing either a good derived from an agricultural commodity or using a process to produce a good derived from an agricultural product, the estimated cost of which is in excess of the amount set forth below for the municipality, as applicable; or

(b) Promotes business location or expansion, the estimated cost of which is in excess of the amount set forth below for the municipality, and is estimated to create at least as many new jobs as set forth below within three years of such location or expansion:

Population of	Estimated	New Jobs
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Municipality	Project Cost	Created
99,999 or less	\$3,000,000	at least 30;

[(11)] **(12)** "Municipality", any city, village, incorporated town, or any county of this state established on or prior to January 1, 2001;

[(12)] **(13)** "New job", any job defined as a new job pursuant to subdivision (10) of section 100.710, RSMo;

(14) "New generation cooperative", a nonprofit cooperative association formed pursuant to chapter 247, RSMo, or incorporated pursuant to chapter 357, RSMo, for the purpose of operating a development facility or a renewable fuel production facility and approved by the authority;

[(13)] **(15)** "Obligations", bonds, loans, debentures, notes, special certificates, or other evidences of indebtedness issued by the municipality or authority, or other public entity authorized to issue such obligations pursuant to sections 99.1000 to 99.1060 to carry out a development project or to refund outstanding obligations;

[(14)] **(16)** "Ordinance", an ordinance enacted by the governing body of any municipality or an order of the governing body of such a municipal entity whose governing body is not authorized to enact ordinances;

[(15)] **(17)** "Other net new revenues", the amount of state sales tax increment or state income tax increment or the combination of the amount of each such increment as determined under section 99.1045;

[(16)] **(18)** "Payment in lieu of taxes", those revenues from real property in each development project area, which taxing districts would have received had the municipality not adopted a development plan and the municipality not adopted development financing, and which would result from levies made after the time of the adoption of development financing during the time the current equalized value of real property in such development project area exceeds the total equalized value of real property in such development project area during the baseline year until development financing for such development project area expires or is terminated pursuant to sections 99.1000 to 99.1060;

[(17)] **(19)** "Renewable fuel production facility", a facility producing an energy source which is derived from a renewable, domestically grown, organic compound capable of powering machinery, including an engine or power plant, and any by-product derived from such energy source;

[(18)] **(20)** "Special allocation fund", the fund of the municipality or its authority required to be established pursuant to section 99.1042 which special allocation fund shall contain at least four separate segregated accounts into which payments in lieu of taxes are deposited in one account, economic activity taxes are deposited in a second account, other net new revenues are deposited in a third account, and other revenues, if any, received by the authority or the municipality for the purpose of implementing a development plan or a

development project are deposited in a fourth account;

[(19)] **(21)** "State income tax increment", the estimate of the income tax due the state for salaries or wages paid to new employees in new jobs at a business located in the development project area and created by the development project. The estimate shall be a percentage of the gross payroll which percentage shall be based upon an analysis by the department of revenue of the practical tax rate on gross payroll as a factor in overall taxable income. In no event shall the percentage exceed two percent;

[(20)] **(22)** "State sales tax increment", the incremental increase in the state sales tax revenue in the development project area. In no event shall the incremental increase include any amounts attributable to retail sales unless the Missouri agricultural and small business development authority and the department of economic development are satisfied based on the information provided by the municipality or authority, and such entities have made a finding that a substantial portion of all but a de minimus portion of the sales tax increment attributable to retail sales is from new sources which did not exist in the state during the baseline year. In addition, the incremental increase for an existing facility shall be the amount by which the state sales tax revenue generated at the facility exceeds the state sales tax revenue generated at the facility in the baseline year. The incremental increase for a Missouri facility which relocates to a development project area shall be the amount by which the state sales tax revenue of the facility exceeds the state sales tax revenue for the facility in the calendar year prior to relocation;

[(21)] **(23)** "State sales tax revenues", the general revenue portion of state sales tax revenues received pursuant to section 144.020, RSMo, excluding sales taxes that are constitutionally dedicated, taxes deposited to the school district trust fund in accordance with section 144.701, RSMo, sales and use taxes on motor vehicles, trailers, boats and outboard motors and future sales taxes earmarked by law;

[(22)] **(24)** "Taxing districts", any political subdivision of this state having the power to levy taxes; and

[(23)] **(25)** "Taxing district's capital costs", those costs of taxing districts for capital improvements that are found by the municipal governing bodies to be necessary and to directly result from a development project.

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